

MINUTES OF THE
FINANCE/INVESTMENT COMMITTEE
OF THE VALLECITOS WATER DISTRICT
MONDAY, JUNE 13, 2016 AT 5:00 P.M.
AT THE DISTRICT OFFICE, 201 VALLECITOS DE ORO,
SAN MARCOS, CALIFORNIA

Director Martin called the meeting to order at the hour of 5:11 p.m.

Present: Director Martin
 Director Sannella
 Interim General Manager Scaglione
 Finance Manager Fusco
 Accounting Supervisor Owen
 Administrative Secretary Johnson

Others Present: Brianna Schultz, Rogers, Anderson, Malody & Scott, LLP
 Scott Manno, Rogers, Anderson, Malody & Scott, LLP

ORAL COMMUNICATIONS

None.

ITEM FOR DISCUSSION

CERTIFIED PUBLIC ACCOUNTING FIRM AUDIT ENTRANCE MEETING

Brianna Shultz of Rogers, Anderson, Malody & Scott, LLP provided a brief presentation outlining the scope of the audit for the year ending June 30, 2016 and the plan for the final year-end audit, including:

- Audit Objective
- Interim Audit Timeline
- Interim Phase of the Audit
- Year-end Audit Timeline
- Year-end Phase I – Substantive Testing
- Year-End Phase II – Reporting

General discussion took place.

Ms. Shultz stated the audit staff will be at the District for three days this week, updating any processes that may have changed since the last audit before they begin their testing. She asked the Committee if there were any specific areas they would like the audit to look at more in depth than normal during the audit. Last year they focused on the areas of credit cards and legal fees.

Finance Manager Fusco commented that staff was in the process of completing an application for a new credit card with a rewards program. Interim General Manager Scaglione noted that government entities such as the District typically are not afforded the same rewards as private companies or individuals. Staff estimated the District would receive savings of only \$750 annually with the new rewards credit card.

General discussion took place.

Ms. Shultz stated their staff will return the week of September 19 to start the substantive testing phase of the audit. The year-end phase will evaluate the District's financial statements, and then an opinion will be rendered.

General discussion took place, during which Director Sannella requested the auditors look into the District's landscaping expenses.

Interim General Manager Scaglione stated that the District employs a staff of two to take care of all of the landscaping for District properties. Periodically help is received from the CDF fire crews to assist with weed abatement. From time to time an irrigation specialist is utilized as well. The only other District landscaping expenses are for the District-owned avocado grove; however, the grove management company scope of work has been reduced.

The Committee will report to the Board that the audit entrance meeting has taken place satisfactorily.

OTHER BUSINESS

None.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at the hour of 5:37 p.m.